

OCT 25 1979

INTERSTATE COMMERCE COMMISSION

*American* **BANK AND TRUST COMPANY**  
LANSING, MICHIGAN

WILLIAM R. WITLER, JR.  
ASSISTANT VICE PRESIDENT

No. 8-2584014

October 18, 1979

Date OCT 25 1979

Fee \$ 50.00

ICC Washington, D. C.

Secretary  
Interstate Commerce Commission  
Washington, DC 20423

Dear Sir:

Enclosed for filing with the Interstate Commerce Commission under Part 1116 of Title 49 of the Code of Federal Regulations are the original and two executed counterparts of a Term Loan and Security Agreement between Post Investment Company, 900 Long Boulevard, No. 487, Lansing, Michigan, as principal debtor, and the American Bank and Trust Company, One Washington Square, Lansing, Michigan, as secured party. Also enclosed is a filing fee in the amount of \$50.00.

The enclosed Term and Loan Security Agreement covers four (4) 5,344-cubic-foot capacity 70-ton truck 50' 6" XM general purpose unequipped boxcars, reporting marks: LVRC 5364, LVRC 5365, LVRC 5366, LVRC 5367. The original agreement should be returned to David W. McKeague of the firm of Foster, Swift, Collins & Coey, P.C., 313 South Washington Square, Lansing, Michigan 48933.

Thank you for your assistance.

Sincerely,

AMERICAN BANK AND TRUST COMPANY

*William R. Witler, Jr.*

William R. Witler, Jr.  
Vice President

WRW/lgv

Enclosures

FEE OCT 25 1979  
OCT 25 1979

*Counterpart - Donna Kelly*

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

**OFFICE OF THE SECRETARY**

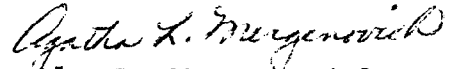
David W. McKeague  
Foster, Swift, Collins & Coey, P.C.  
313 South Washington Square  
Lansing, Michigan 48933

Dear Sir:

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/25/79 at 10:30 AM , and assigned re-recording number (s).

10949

Sincerely yours,

  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

TERM LOAN AND SECURITY AGREEMENT

POST INVESTMENT COMPANY (hereinafter "Borrower"), a Michigan co-partnership, 900 Long Boulevard, No. 487, Lansing, Michigan, and the AMERICAN BANK AND TRUST COMPANY (hereinafter "Bank"), One Washington Square, Lansing, Michigan, agree as follows:

Definitions

1. For purposes of this agreement, the following definitions shall apply:

(a) "Insurance" shall mean any policy or policies of insurance now owned or hereafter obtained by Borrower insuring against damage to, or destruction or theft of, the collateral and any proceeds payable under such policy.

(b) "Management Agreement" shall mean the Agreement dated October 7, 1979, between "REX" and Borrower for the management of certain railroad cars owned by Borrower.

(c) "REX" shall mean Rex Railways, Inc., a New Jersey corporation.

(d) "Prime" or "prime rate" shall mean the lowest rate of interest which Bank charges on 90-day unsecured commercial loans to its most substantial customers.

(e) "Private Placement Memorandum" shall mean the Private Placement Memorandum dated August 31, 1979, describing a boxcar management program, 1979-D, as offered by Merrill, Lynch, Pierce, Fenner & Smith, Incorporated.

(f) "Proceeds" shall mean anything received when collateral or proceeds is/are sold, leased, exchanged, collected or otherwise disposed of. Money, checks and the like are cash proceeds. All other proceeds are non-cash proceeds.

Conditions of Borrowing

2. Bank agrees to loan to Borrower the principal amount of One Hundred Twenty-four Thousand Five Hundred

Dollars (\$124,500.00), to be used by Borrower to pay a portion of the purchase price of certain railroad cars, as described in the Private Placement Memorandum, subject to the terms of this agreement.

3. Borrower agrees that this Term Loan and Security Agreement and each supplement or amendment hereto may be duly filed and recorded with the Interstate Commerce Commission in accordance with section 20c of the Interstate Commerce Act. The Borrower agrees to do, execute, acknowledge, deliver, file, register and record all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the better assuring, conveying, assigning and confirming unto the Bank all of the collateral or property intended so to be, whether now owned or hereafter acquired.

#### Interest on Borrowing

4. Borrower agrees to pay interest on its indebtedness to Bank at the rate of prime plus one and three-quarters percent (1-3/4%) per annum, with a minimum rate of interest of eight and three-quarters percent (8-3/4%) per annum. Interest shall be payable quarterly beginning December 1, 1979, and thereafter on the first day of each successive quarter, adjusted monthly to reflect any changes in the prime rate. Any change in interest rate resulting from a change in the prime rate shall be effective on the first of each month following the change in the prime rate announced by Bank at its principal office. The applicable rate of interest is for a 360-day year. This rate divided by 360 days and the resulting daily factor is applied to the principal balances outstanding during each day of the term of the loan to determine total interest charges.

#### Repayment of Borrowings

5. Borrower agrees to repay its indebtedness to Bank in nineteen (19) equal quarterly payments of Three Thousand One Hundred Twelve and 50/100 Dollars (\$3,112.50) per

quarter, excluding interest, on the first of each quarter, commencing December 1, 1979, and thereafter on the first of each succeeding quarter, and a final payment of Sixty-five Thousand Three Hundred Sixty-two and 50/100 Dollars (\$65,362.50) on October 1, 1984.

Security for Secured Indebtedness

6. To secure payment of the secured indebtedness, Borrower grants Bank a security interest in the following property (hereinafter "collateral"):

- (a) Four (4) 5,344-cubic-foot capacity, 70-Ton truck, 50' 6" XM general purpose unequipped box car, reporting marks LVRC 5364, LVRC 5365, LVRC 5366, LVRC 5367 together with (i) any and all accessories, equipment, parts and improvements now or at any time hereinafter attached or appertaining to said railroad cars, and (ii) any and all substitutions, renewals and replacements for, and any additions, excession, and accumulations to, any and all of such railroad cars;
- (b) Any leases pursuant to which any of such railroad cards shall at any time be leased by REX, together with any and all schedules and exhibits thereto, including without limitation the right to receive and collect all rental, casualty value payments, insurance proceeds, condemnation awards and other payments now or hereafter payable to the borrower pursuant to such leases:
- (c) To the extent not included in the next preceding clause, all rental, issues, income and profit from such railroad cards.

The security interest granted by the Borrower in and to the collateral is subject to (a) the rights of any lessee of possession, use and enjoyment set out in such leases and (b) the right of REX to compensation as set forth in the Management Agreement.

Warranties with Respect to Collateral

7. Borrower represents that it owns all of the collateral free from any prior liens, security interests or encumbrances of any kind, other than liens for taxes not delinquent, and except for the rights of lessees and the rights of REX under the Management Agreement, there is no financing statement or other filed or recorded instrument in

which the Borrower is named and which the Borrower has signed or permitted to be filed or recorded covering any of the collateral.

General Covenants with Respect to Collateral

8. Borrowers agrees not to lease, sell or otherwise dispose of any of the collateral; not to subject it to any security interest or lien; and not to permit any lien, other than liens for taxes not delinquent, to attach to it.

9. Borrower will pay when due all taxes and assessments relating to the collateral. If Borrower fails to do so, Bank may do so and Borrower agrees to immediately reimburse Bank for any payments so made.

10. Borrower will insure its inventory and equipment against substantial risk of damage, destruction and theft in an amount and manner satisfactory to Bank. All policies of insurances, with any loss-payable endorsements, shall be delivered to Bank at Bank's request. If Borrower fails to obtain and keep such insurance in force, or fails to pay the premiums thereon, Bank may do so for Borrower's account, and Borrower agrees to immediately reimburse Bank for any amounts so paid.

11. Borrower agrees to notify Bank immediately if any inventory or equipment is destroyed, suffers any substantial damage or is stolen, and the uninsured loss exceeds Five Hundred Dollars (\$500.00).

12. Subject to the rights of REX and any lessees of the collateral, Borrower agrees to cause the collateral and each and every part thereof to be maintained, preserved and kept in safe and good repair, working order and condition, and will from time to time make or cause to be made all necessary and proper repairs, renewals, and replacements so that the value and efficiency of the collateral shall not be impaired.

13. The Borrower shall not change, or permit to be changed, the identifying letters and numbers of the collateral

from such identifying letters and numbers set forth in paragraph 6(a) of the Agreement, except in accordance with a statement of new numbers to be substituted therefor which previously shall have been delivered to Bank and which shall be filed and recorded by Bank in like manner as this Agreement.

Other Warranties and Covenants

14. Borrower represents that it is a co-partnership duly organized and existing in good standing under the laws of the state of Michigan.

15. Borrower represents that the execution, delivery and performance of this agreement by Borrower are within its partnership powers and have been duly authorized and are not in contravention of law or the terms of Borrower's Certificate of Co-Partnership or of any undertaking to which Borrower is a party or by which it is bound.

16. Borrowers represents and warrants that this agreement is fully enforceable in accordance with its terms, and that any note required by this agreement will, when executed and delivered, be fully enforceable against Borrower.

17. Borrower represents that it owns all the additional assets shown by its books to be assets that it owns, free of any security interest, mortgage, encumbrance or lien of any kind, other than liens for taxes not delinquent, not disclosed in writing to Bank prior to the date of this agreement.

18. Borrower represents that no litigation or governmental proceedings are pending or threatened against it which could have a material adverse effect on its financial condition or business.

19. Borrower agrees, as soon as practicable, and in any event within 90 days after the end of its fiscal year, to furnish a profit and loss and reconciliation of surplus statement and a balance sheet of Borrower as of the end of such fiscal year. If Bank so requests in writing, the balance sheet and statement shall be certified by an independent

certified public accountant or firm of such accountants selected by Borrower and approved by Bank. Borrower further agrees to furnish, from time to time, such additional financial information concerning its affairs as Bank may request.

20. Borrower will maintain all books and records at the address set forth in this agreement, and except in the ordinary course of its business will not remove any books or records from there without the written consent of Bank. Borrower will permit any persons designated by Bank in writing, at Bank's expense, to visit and inspect any of Borrower's real or personal property and books and records, and discuss its affairs, finances and accounts with Borrower's officers, all at such reasonable times and as often as Bank may reasonably request.

21. Borrower agrees not to sell, lease, transfer or otherwise dispose of any of its additional assets except in the regular course of business, or to make any loan to, or guarantee the indebtedness of, any other person, firm or corporation.

22. Borrower agrees to immediately advise Bank of any material adverse change in its financial condition, and of any pending or threatened suit or proceeding before any court, administrative agency or other tribunal for or on account of any claim exceeding Five Thousand Dollars (\$5,000.00).

#### Events of Default

23. The happening or occurrence of any of the following shall constitute a default within the meaning of this agreement:

(a) Default in the performance of any duty imposed by this agreement or by any other agreement, promissory note, or mortgage evidencing and/or securing any indebtedness of Borrower to Bank; the occurrence of any event or default as provided in any of the foregoing; or any default in



payment of any indebtedness owed by Borrower to any third party, or the occurrence of any default under any promissory note, mortgage, security agreement or other agreement evidencing and/or securing the same, if not waived by the holder thereof.

(b) The making of any warranty, representation or statement made or caused to be made by Borrower in connection with this or any other agreement securing any indebtedness of Borrower to Bank, proving to be untrue in any material respect.

(c) Dissolution, termination of existence, insolvency or business failure of Borrower, appointment of a receiver of any part of the property of Borrower, an assignment for the benefit of creditors by Borrower or the institution of insolvency or bankruptcy proceedings by or against Borrower or any party liable as endorser, guarantor or surety for any indebtedness of Borrower to Bank.

(d) Any theft of or substantial damage to any of the collateral, if uninsured, or the making of any levy, seizure or attachment thereof or thereon.

(e) Any change in the condition or affairs (financial or otherwise) of Borrower or of any guarantor of any indebtedness or Borrower to Bank, that in the opinion of Bank materially increases the risk that Borrower's indebtedness for such loans will not be satisfied according to terms.

(f) Any default by Borrower under the terms of any guaranty with respect to any indebtedness of any third party to Bank.

(g) The issuance of any writ of garnishment naming Bank as garnishee-defendant, obtained by any judgment creditor of Borrower.

(g) Termination of the Management Agreement between REX and Borrower.

## Remedies

24. Upon the occurrence of any event of default under this agreement, and at any time thereafter until said default has been cured, Bank may, at its option and without notice or demand, declare all of the secured indebtedness to be immediately due and payable, except that upon the issuance or any writ of garnishment naming Bank as garnishee-defendant, obtained by any judgment creditor of Borrower, the secured indebtedness shall become immediately due and payable without any election by Bank to accelerate the time for its payment. Bank shall, in addition, have all the remedies of a secured party under the Uniform Commercial Code or other applicable law, including, without limitation thereto, the right and authority to do in its name, or in the name of Borrower, all things with reference to the collateral that Borrower might have done but for this agreement, including:

(a) The right to collect, sue and receipt for all sums of money or their proceeds due or to become due to Borrower in connection with any of the collateral, including but not limited to all unpaid per diem, incentive per diem, mileage or other charges of any kind earned by the collateral, and may lease or otherwise contract for use of any of the collateral.

(b) The right to endorse in Borrower's name any checks, drafts, orders, notes or other instruments payable to Borrower which Borrower or Bank may receive in connection with any of the collateral.

(c) The right to settle, adjust and compromise all present and future claims arising out of the collateral.

(d) The right to dispose of the collateral at either a public or private sale or sales either as a lot or lots, or by individual item, in the discretion of Bank after first giving Borrower reasonable notice of the time and place of any public sale, or of the date after which a

private sale will be made. The requirement of reasonable notice shall be met if such notice is mailed post-paid to Borrower at the address set forth in this agreement 10 days before such sale or disposition or 10 days before the day after which a private sale will be made.

(e) The right to immediate possession of the collateral and of Borrower's books and records pertaining to the collateral without court order.

25. Proceeds derived from the sale, disposition or collection of the collateral or the proceeds thereof shall first be applied to the expenses of sale, disposition, collection and reasonable attorneys' fees and legal expenses. If the proceeds are not sufficient to satisfy the secured indebtedness, Borrower shall be liable for any deficiency and agrees to pay the same forthwith.

26. Upon the occurrence of any event of default, Bank may set off any of Borrower's deposit balances, or any other indebtedness of Bank to Borrower, against the secured indebtedness without first looking to the collateral for satisfaction of that indebtedness.

#### Continuation of Agreement

27. This agreement shall continue in full force and effect, and shall bind Borrower with respect to any advance Bank may hereafter make, notwithstanding that Borrower may from time to time fully satisfy its indebtedness to Bank, so long as any financing statement heretofore or hereafter filed by Bank against Borrower referring to any collateral to which this agreement relates shall remain in force.

#### Other Provisions

28. Upon the occurrence of any change in ownership of the Borrower, including but not limited to, a change occurring by the death of a partner, or by way of an assignment of an interest in the partnership, or upon the issuance of additional partnership shares, Bank may elect to declare all of the secured indebtedness to be immediately payable. Borrower

agrees to immediately notify Bank of any change in ownership, or the issuance of additional partnership shares.

29. Borrower authorizes Bank to correct patent errors and omissions in this agreement and in the note or notes executed in connection herewith.

30. Bank's rights hereunder shall inure to the benefit of its successors and assigns, and all duties of Borrowers shall bind its successors and assigns.

31. No waiver of any default or of the terms, conditions and warranties hereof shall operate as a waiver of any other default, term, condition or warranty or of the same default, term condition or warranty on a future occasion.

Additional Provisions

32. Prior to the disbursement of any proceeds of any loan hereafter made by Bank subject to the terms of this Agreement, Borrower agrees to deliver an assignment or its rights, interests, powers and benefits under the Management Agreement between Borrower and REX.

33. This agreement shall be construed in accordance with, and governed by, the laws of the state of Michigan.

Executed this 15<sup>th</sup> day of October, 1979.

POST INVESTMENT COMPANY

By Joseph M. Post  
Joseph M. Post, Partner

STATE OF MICHIGAN    )  
                              ) SS.  
COUNTY OF INGHAM    )

On this 15<sup>th</sup> day of October, 1979, before me personally appeared Joseph M. Post, to be known to be the person described in and who executed the foregoing instrument

and he acknowledged that he executed the same as his free  
act and deed.

Clifford S. Boh  
Notary Public  
County, Michigan  
My Commission Expires Dec. 8, 1979  
My commission expires Dec. 8, 1979

AMERICAN BANK AND TRUST COMPANY

By William R. Witle Jr.  
Its Vice President

STATE OF MICHIGAN )  
COUNTY OF INGHAM ) SS.

On this 15th day of October, 1979, before me  
personally appeared William R. Witle Jr., to me personally  
known, who being by me duly sworn, says that he is a  
Vice President of American Bank and Trust Company, that the  
seal affixed to the foregoing instrument is the corporate  
seal of said corporation, that said instrument was signed  
and sealed on behalf of said corporation by authority of its  
Board of Directors, and he acknowledged that the execution  
of the foregoing instrument was the free act and deed of  
said corporation.

Clifford S. Boh  
Notary Public  
County, Michigan  
My Commission Expires \_\_\_\_\_

CLIFFORD S. BOH  
Notary Public, Ingham Co., Mich.  
My Commission Expires Dec. 8, 1979

